4:Grajdanzev--86 [2] S-4 (no date) 1942 Formosans
116, 228, 471, 473, 563

"As to the other fishing enterprises, their relative strength may be presented in the following manner:

Fishing Enterprises in Taiwan

	Number of firms	Nominal capital (1,000 yen)	Paid-up capital (1,000 yen)	Average paid-up capital per company (1,000 yen)
Japanese corporations with offices in Japan	2	101,500	65,500	32,750
Japanese corporations with offices in Taiwan	28	5,972	3,044	109
Other firms (mostly Chinese)	21	429	399	19

In this field the Chinese can hardly compete with the Japanese because of their lack of capital (1).

1. It is interesting to note that, according to the last census, out of 82,338 Chinese fishermen 16,382 were employers, while among 5,045 Japanese only 101 were employers. Evidently, the Chinese 'employer' had one to three workers, while the Japanese employer was a person or firm of considerable means."

4:Grajdanzev--94-96 S-4 (no date) 1942 Formosans-1-3
116, 454, 471, 472, 473

"Finally. we may compare these industries from the point of view of the amount of capital invested in them: (1) [95]

1. Only paid-up capital is included because data for the reserves of smaller corporations could not be found.

Capital Invested in Taiwan's Industry in 1937
(million yen)

	Corporations	Limited partnership	Unlimited partnership	Total
Textile industry	2.7	0.1	0.1	2.9
Machine	3.9	0.9	0.1	4.9
Ceramics	3.3	0.2	0.1	3.6
Chemical	9.6	0.3	0.2	10.1
Lumber	1.5	1.1	0.1	2.7
Food	113.1	4.6	0.4	118.1
Printing	0.5	0.1	...	0.6
Gas and Electricity	47.0	...	...	47.0
Others	1.0	0.3	0.3	1.6
Total	182.6	7.6	1.3	191.5*

Footnote on next page.

* The official estimate of the total capital of industry on Dec. 31, 1937, was ¥258.5 million but it is not clear whether this figure includes nominal capital or only paid-up capital and, whether it includes other investments, government enterprises etc.

Source: Taiwan Jijo, 1939.

Again the food industry is in first place. Actually its position is much more important because it has accumulated considerable reserves. Next in importance is gas and electricity because here investments play a greater part than the number of men occupied while ceramics and printing are poor in capital. It may be of interest to compare the average investment per enterprise for the same year:

Paid -Up Capital per Business Unit
(1,000 yen)

	Corporations	Limited partnership	Unlimited partnership	Average (weighted)
Textile	671	60	120	477
Machine	353	38	45	123
Ceramics	276	21	33	155
Chemical	387	37	115	289
Lumber	163	93	23	106
Food	1,509	78	44	832

Paid-Up Capital per Business Unit Cont.
(1,000 yen)

	Corporations	Limited partnership	Unlimited partnership	Average (weighted)
Printing	101	12	...	41
Gas and electricity	7,836	10	...	6,718
Others	76	13	68	38
All industry	1,127	51	54	578

[96] We see from this table that in Taiwan there are very large enterprises in the electric power, food, and textile industries, where capital per enterprise is relatively large, while enterprises in the printing, machine, lumber, ceramics and 'other' industries are very small in size. It should be pointed out that individual enterprises are not included here, (2) but both their capital and the value of their products are insignificant in comparison with those of the companies."

2. The number of individual enterprises in 1934 were reported as follows: 62 in textiles, 91 in metals, 173 in machinery, 588 in ceramics, 428 in chemicals, 3,960 in foods, 256 in lumber, 126 in printing and 381 in others, a total of 6,065, almost all of them Chinese (Takahashi, op. cit., p. 438).

4:Grajdanzev--96-97 S-4 (no date) 1942 Formosans-1-2
116, 171, 454, 471, 473, 177.47 Japan
636.47

"It is also interesting to compare the size of the companies in Taiwan as regards capital with those in Japan proper and in Korea.

Industrial Companies, their Total and Average Capital in the Japanese Empire, December 31, 1937.

	Companies, number	Total paid-up capital and investments (million yen)	Capital per enterprise (1,000 yen)	Capital per capita of population (yen)
Japan proper	30,518	9,396.9	308	132
Korea	981	246.2	251	11
Taiwan	335	191.5	572	34
Kwantung	358	96.9	271	81
Karafuto	88	33.6	382	103

Source: Dainippon teikoku tokei nenkan, 1939.

It is clear that Taiwan and Korea are poorly supplied with capital per capita of population, but there is an important difference between them: the average capital per company in Taiwan is higher than in any other part of the Japanese Empire, including Japan proper. These are averages and include small as well as large companies, but behind them one may see the silhouettes of big corporations dominating the economic life of Taiwan,

corporations which have few equals even in industrially developed Japan (1).

1. By size of total paid-up capital the corporations and partnerships in industry in Taiwan were distributed as follows: [97]

Size	Number of companies	per cent of total	Total paid-up capital (1,000 yen)	per cent of total
Less than ¥10,000	50	14.9	253	0.1
¥ 10.000- 49,000	111	33.1	1,922	1.0
¥ 50,000- 99,000	34	10.2	1,276	0.7
¥ 100,000- 199,000	48	14.3	3,020	1.6
¥ 200.000- 499,000	40	11.9	4,878	2.5
¥ 500,000- 999,000	20	6.0	4,694	2.5
¥I,000,000- 4,999,000	25	7.5	24,077	12.6
¥ 5,000,000- 9,999,000	2	0.6	5,700	3.0
Over ¥ 10,000,000	5	1.5	145,316	76.0
Total	335	100.0	191.1	100.0

Thus, 32 companies—9.6 per cent of the total number—had 91.6 per cent of the total capital of companies."

4:Grajdanzev--97 S-4 (no date) 1942 Formosans
116, 257, 377, 433, 473

"Our analysis has shown that in Taiwan only the electric power, chemical, and food industries are large-scale, and that among them the electric power and sugar industries tower far above the rest—in these the corporations would be huge even by the standards of industrially developed nations. We saw that in agriculture Taiwan is an island of contrasts—huge landholdings and poor 'independent' landowners and tenants. The same picture appears in industry and will become clearer on examination of some individual industries for which data are available. We saw that in Taiwan one should distinguish between the progress and prosperity of agriculture in general and of the agriculture of the small Chinese farmers. The same phenomenon appears in industry."

"Production of sugar in modern mills is concentrated in the hands of nine Japanese corporations, [99] and of these, six produce ninety-seven per cent of all the sugar produced in modern mills and ninety-five per cent of all that produced in Taiwan. In the table on page 100 information is given concerning each of these six largest corporations. Unfortunately this information is not complete. These corporations are closely connected with many other enterprises in Taiwan and also have enterprises in the Pacific Islands under Japanese mandate, in Java and in other southern colonies (1). Many of these enter-

1. They also have refineries in Japan proper. Sugar produced in Taiwan is not refined there.

prises have nothing to do with sugar. But even so, the information given is interesting because it does throw some light on their activities. The paid-up capital and reserves of three of these corporations is about ¥100 million each. The amount of reserves is explained by the remarkable rate of profit which they receive—34 to 40 per cent is 'normal' for them. A lower rate of profit, as in the case of Ensuiko Seito Corporation (20.2 per cent) may be explained by the fact that the corporation has recently doubled its capital, investing it in new enterprises which do not yet bring profit. Thus the rate of profit in the sugar industry is extraordinarily high for all companies. It was shown above that the farmers did not receive any benefits either from the increase of the sugar

content of the cane, nor from the increase of protection; it now becomes clear that these benefits fell to the manufacturers, for only in this way were these huge profits possible (2).

2. But a certain part of these profits is the result of higher prices paid by the Japanese population for the benefit of these companies, protected by the tariff wall."

4:Grajdanzev--100 S-4 (no date) 19[illegible] Formosans
116, 257, 433, 473 417

INFORMATION CONCERNING THE SIX LARGEST SUGAR CORPORATIONS OF TAIWAN 1939

	Taiwan Seito	*Dainippon Seito*	*Meiji Seito*	*Fuzuki Seito*	*Tokoku Seito*	*Showa Seito*
Established	1901	1896	1908	1908	1910	1927
Paid-up cap. (1,000 yen)	43,080	56,332	45,000	36,938	22,050	11,250
Reserves (1,000 yen)	47,138	23,093	41,500	3,430*	8,081	1,112(1937)
Principal shareholders:	The Emperor of Japan	Toyama-Seimei*	Daichi-Seimei*	Shinei-Sangyo	Yamaguchi	not published
	Mitsui bussan	Meiji-Seimei		Meiji-Seimei†	Nippon-Seimei†	
	Naigoku chokin Bank	Tokyo-Seimei			Meiji-Seimei	
	Mitsubishi-Shanghai	Kaijo-Seimei			Yasuda Bank	
		Nippon-Seimei				
		Yasuda				
Landholdings in Taiwan (ko)	46,630	17,900	13,569	...	3,274	...
Sugar production in 1937/38 (1,000 tons)	256.7	238.6	176.5	150.4	70.6	42.6
Production of molasses, 1936/37 (1,000 tons)	52.4	47.9	33.5	29.5	11.6	...
Other interests	65.7 km. of railways	1,000 km. of railways	118 km. of railways	Alcohol	30 km. of railways	...
	Alcohol	Alcohol	Alcohol	Pulp	Roads	Alcohol
	Refineries in Japan	Etc., etc.	Refineries	Railways	Alcohol	Forestry
	Etc., etc.		Rubber	Agriculture	Etc., etc.	Colonization
			Pulp	Mining		Etc., etc.
			Etc., etc.	Lumber		
				etc., etc.		
Rate of profit (%)	44.65	34.5	40.0	20.2	22.0	20.7
Dividend rate (%)	13	13	13	8	10	10

* Beside its own capital the company report mentions ¥40.6 million of borrowings.

† *Seimei* (life) are life insurance companies.

Sources: 1. *Kabushiki kaisha nenkan*, 1940; 2. *Toyo keizai, Kabushiki kaisha nenkan*, 1939; 3. Kono, R., *Seito kyoiku-ron*, 1938.

SOU

FORMOSA

4:Grajdanzev--101-102 S-4 (no date) 1942 Formosans
116, 288, 473

"The composition of the textile industry in Taiwan may be seen from the following table showing gross value of production in 1937 in 1,000 yen.

Silk goods	845
Cotton goods	898
Hemp and jute goods	2,497
Others	788
Total	5,028

Production of hemp and jute goods is the most important branch. The chief article made is bags for the trade in rice and sugar.

It was shown above [p. 95. category 116--analyst] that the total capital of textile companies in Taiwan in 1937 was ¥2.9 million. Now, in the same year one company alone—Taiwan Seima (Jute Dressing Company)—had a capital of ¥1.4 million. Its rate of profits was 48.5 per cent but only eight per cent was distributed, the [102] balance going into reserves and investments. It had 2,844 spindles. It is worth noticing that almost half its shares were in the hands of the Anda Corporation."

4: Grajdanzev--102-103 S-4 (no date) 1942 Formosans-1-2
116, 328, 473

"In 1937 the gross value of products of the metal industry was made up of the following items (in 1,000 yen):

Gold and silver refining	4,101
Gold and silver goods	2,588
Alloys	1,710
Foundry	1,081
Tin cans	3,175
Construction and household goods	623
Total	13,278

As may be seen, this group consists chiefly of gold and silver produced and refined on the island--a branch of industry which has a very close connection with mining--and of tin cans manufactured for Taiwan's export industries. We do not know whether Taiwan's statistical service puts the production of aluminum in the metal group or in the chemical group, but it will occupy an important place in the war industry of Taiwan in the near future. The Nippon Aluminum Company was established in June 1935 with a capital of ¥30 million. Its 600,000 shares were divided between the biggest concerns in Japan: 83,500 shares went to Mitsubishi Kogyo, 45,000 to Mitsui Kosan, 44,000 to Taiwan Denryoku (described below), 30,000 to Mitsui Gomei, 15,000 to Mitsui, etc. Besides the paid-up capital there were reserves of ¥733,000, and borrowed capital amounting to ¥2,300,000 on September 1, 1939. The plants in Takao and Karenko use bauxite ore

from the Netherlands Indies and electricity is supplied by Taiwan Denryoku. Data on production are not published, but in one Japanese publication (1) it was stated that the

1. Kogyo nenkan, 1939.

capacity in 1938 was 8,000 tons, but that after expansion it will be 10,000 tons. Judging by the distribution of profits it went into operation in the second half [103] of 1937 and in 1939 profits amounted to seventeen per cent, of which eight per cent was distributed."

4:Grajdanzev--104-105 S-4 (no date) 1942 Formosans
116, 289, 473

"Of the paper producers, the most important enterprise is the Taiwan Kogyo Corporation, established in 1935. Its paid-up capital amounts to ¥8 million and its bonded indebtedness to ¥9.5 million. The principal shareholders are Ogawa Gomei, Taiwan Shoken, and Matsumoto. The value of its production in 1938-39 was ¥3,538,000, and profits amounted to 12.5 per cent of its capital. Next in importance is the Taiwan Pulp Kogyo Corporation, established in February 1938, in Taichu. It has a capital of ten million [105] yen in shares and has borrowed about one million in bonds. Its shareholders are two sugar companies and the Kanefuchi Spinning Company. Up to 1939 the corporation had not paid dividends."

4:Grajdanzev--106 S-4 (no date) 1942 Formosans
116, 377, 473

"In February 1939 a large new station producing electricity from coal was put into action. There are now 158 private producers of electricity and 15 government stations on the island, but by far the most important producer is the Taiwan Denryoku Corporation, established in 1919, the capacity of whose stations is now 220,050 kw. Its paid-up capital is ¥45.8 million, its reserves, ¥15.1 million, and its debentures, ¥76.6 million. Its principal shareholders are the Taiwan government-general and Japan Life Insurance Company. Profits in the last few years have been seventeen per cent and it has paid seven per cent to its shareholders. The low rate of profits compared with other corporations is presumably to be explained by the fact that the company sells electricity to the armament plants, for example to the Nippon Aluminum Company, at a special reduced price of 0.5 sen per kwh. The same policy is pursued by Taiwan Denka Corporation, which sells electric current to a ferrosilicon plant at 0.6 sen per kwh. Another important company in this field is the Taiwan Dento Corporation, established in 1919, with paid-up capital of three million yen. It supplies electricity chiefly for domestic lighting and the capacity of its plant is 7,224 kw. Its rate of profit is about thirty per cent and it pays dividends of ten per cent (1).

1. Recent information from Taiwan (August 1940) tells of the merger of these companies, so that a huge monopolistic corporation will take their place."

7: Joest--55 [10] E-5 (no date) 1882 Formosans
116, 473

Three British and one German firm in China have branches in Takao and in Tamsui in the north.